

Billing Instructions for Negotiated Cost-Type Contracts

Introduction

Reimbursement procedures related to negotiated cost-type contracts require that Contractors submit to the Government adequately prepared claims. The instructions that follow are provided for Contractors' use in the preparation and submission of invoices or vouchers requesting reimbursement for work performed. The preparation of invoices or vouchers as outlined below will aid in the review and approval of claims and enable prompt payment to the Contractor.

1. *Forms to Be Used*

In requesting reimbursement, Contractors may use the regular Government voucher form, Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal," and Standard Form 1035, "Continuation Sheet," or the Contractor's own invoice form. If the Contractor desires to use the Government's standard forms, a request for the forms should be submitted to the Contracting Officer. If the Contractor uses his own invoice, the billing must conform with the instructions set forth herein.

2. *Submission of Invoices or Vouchers*

Invoices or vouchers must be submitted *at least quarterly in an original and four (4) copies* to the following address:

Centers for Disease Control and Prevention
Contracts Management Branch, CMB
Attention: Contracting Officer
2920 Brandywine Road
Room 3000
Atlanta, Georgia 30341

REMINDER: The original and each copy should be easily identifiable. Vouchers should be *collated*. Failure to submit vouchers in the proper format will delay your payment. Vouchers without proper number of copies will be returned.

3. *Finance Office*

The address of the paying office is as follows:

Financial Management Office
Centers for Disease Control and Prevention
P. O. Box 15580
Atlanta, Georgia 30333

QUICK CHECKLIST FOR INVOICE SUBMISSION:

Standard Forms 1034 and 1035 recommended. If submitting own forms, statement must conform to billing instructions. Make certain that the name of your organization and **the contract number** are printed on the cover page.

Quarterly minimum.

Original and **four** copies. Vouchers without proper number of copies will be returned.

Vouchers should be collated.

Vouchers sent directly to Contracts Management Branch. No vouchers should be sent to Financial Management.

NOTE: Do **not** send your invoices directly to the

Financial Management Office. They must be processed through the Contracts Management Branch.

4. ***Preparation of Invoices or Vouchers***

a. ***EXHIBIT I - Summary of All Costs***

As shown on the attached Standard Form 1034, identified as EXHIBIT I (SAMPLE), a summary of all current costs **must** be shown. This summary consists of a list identifying the general categories and the amounts incurred during the period covered by the billing, together with the portion of fixed fee (if any) payable for that period. The reimbursable costs incurred and the dates of the period for which the charges are claimed **must** fall within the period specified in the contract.

b. ***EXHIBIT II - Details of Costs Claimed***

As shown on the attached Standard Form 1035, identified as EXHIBIT II (SAMPLE), a detailed breakdown **must** be provided to substantiate the categories shown on the summary of costs (see EXHIBIT I). The following describes some of the categories that might appear on your billings:

(1) **Direct Labor**

Direct Labor costs consist of salaries and wages paid for scientific, technical, and other work performed directly for the contract and pursuant to the contract terms. Labor costs, excluding fringe benefits and overtime premium pay, will be billed as follows:

List the titles and amounts for employees whose salaries or wages, or portions thereof, were charged to the contract; show the rate (or hours) worked, and amount for each individual. The cost of direct labor which is charged directly to the contract must be supported by time records maintained in the contractor's office.

(2) **Fringe Benefits**

If it is the Contractor's established practice to treat fringe benefits as a direct cost, such costs should be billed separately as a single item.

NOTE: Fringe benefits, bonuses, etc., are usually treated as indirect costs for inclusion in the overhead pool; however, they may be treated as direct labor costs or as an "Other Direct Charge" if such treatment is in accordance with the Contractor's established accounting procedures.

(3) **Materials and Supplies**

Only those items which the Contractor normally treats as "direct costs" should be claimed under this heading. Major classifications of material **only** should be billed separately under appropriate classification. Items costing less than \$25.00 may be listed by category of materials or supplies. Show the description and dollar amount of individual classifications. All such charges **must be supported** by the Contractor's office records.

(4) **Premium Pay**

Premium pay is the difference between the rates and amounts paid for overtime or shift work and amount normally paid on a straight time basis. Generally such pay is not

included in the direct labor base and ***should not be included*** in the billing for “direct labor” unless the Contractor has consistently followed this practice in the past as a matter of policy. Premium pay of any kind unless provided for in the contract ***must*** be authorized by the Contracting Officer ***in advance***. Billings for unauthorized premium pays have caused frequent delays in payment due to suspensions and exchange of correspondence. Citations of authorization for premium pay will avoid delays in payment. Authorized premium pay may be shown as a single item on the summary of costs. However, it must be separately itemized for each position, or job category, showing the amount, and a citation of the Contracting Officer's letter of authorization on the continuation sheet of the invoice or voucher.

(5) **Travel**

When authorized in the contract as a direct cost, travel costs which are directly related to specific contract performance may be billed as a direct cost. Travel cost detail should show:

- (a) Name of traveller and official title,
- (b) Purpose of trip,
- (c) Dates of departure and return to starting point (station or airport),
- (d) Transportation costs, identified as to rail, air, private automobile (including mileage and rate) and taxi.
- (e) If claim for subsistence is on per diem basis, show number of days, rate and amount, as authorized in contract.¹ If claim is based on actual cost of subsistence, show, on a daily basis, the amounts claimed for lodging and meals separately.
- (f) Reference to Contracting Officer's letter of authorization if required by contract.

(6) **Consultant Fees**

Identify the consultant by name, number of days utilized, and amount of fee.

(7) **Equipment**

Nonexpendable personal property ***must*** be specifically approved in writing by the Contracting Officer or authorized by the terms of the contract. Billing data should include a description of item, make model, quantity, unit cost, total cost, and the date approved by the Contracting Officer, if applicable. A copy of the vendor's bill may be submitted in lieu of the identifying information.

¹ For purposes of computing per diem charges in lieu of actual subsistence charges, unless otherwise provided in the contract, a day is divided into four quarters which begin at 12 midnight, 6:00 AM, 12 noon, and 6:00 PM. For example, at an authorized per diem rate of \$35.00 per day, a traveller who departed at 9:15 AM on July 15 and returned at 6:45 PM on July 18 would be entitled to \$131.25.

(8) **Burden**

Pending establishment of final contract indirect cost rates for each of the Contractor's fiscal years, the Contractor will be reimbursed based on his submittal of provisional rates as set forth in the contract. The contract may provide for more than one type indirect cost rate, such as overhead rate, and general and administrative expense rate, in which case the direct cost bases (e.g., direct labor, total direct cost, etc.)

(9) **Fixed Fee**

Ordinarily the fixed fee is stated in the contract as a lump sum and may be billed in the ratio of incurred costs to total estimated cost as set forth in the contract, with the final 15 percent to be billed on the final invoice or voucher. Contract terms govern the method of payments.

c. ***EXHIBIT III - Cumulative Amount Claimed***

As shown on the attached Standard Form 1035, identified as EXHIBIT III (SAMPLE), the Contractor must show the cumulative amounts claimed by categories from the contract award date through the date of the current invoice or voucher, as well as the estimated cost to complete per category.